

---

---

# HOUSE RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT A FOLLOW-UP SUNRISE REVIEW TO  
*SUNRISE ANALYSIS: CONDOMINIUM ASSOCIATION MANAGERS*, REPORT  
NO. 05-10, WHICH ANALYZED THE REGULATION OF CONDOMINIUM  
ASSOCIATION MANAGERS.

1           WHEREAS, the Condominium Property Act, Chapter 514B, Hawaii  
2 Revised Statutes, authorizes a form of real estate ownership in  
3 which individual owners hold title to a specific unit and have  
4 an undivided interest as a tenant-in-common with other owners in  
5 common elements, such as the exterior of the buildings, grounds,  
6 amenities, internal roads, and infrastructure; and

7  
8           WHEREAS, the Condominium Property Act fully authorizes  
9 condominiums to be self-governed by their respective association  
10 of unit owners, which is headed by an elected board of  
11 directors; and

12  
13           WHEREAS, in the State as of 2021, there were an estimated  
14 1,826 condominium associations representing 173,036 units, which  
15 serve as dwellings, either as a primary residence or otherwise,  
16 to approximately 360,000 people; and

17  
18           WHEREAS, to assist in the management of the properties,  
19 condominium associations typically contract with third-party  
20 condominium managing agents to perform certain tasks for the  
21 association, including overseeing repairs and projects, finances  
22 and accounting, insurance and registration renewals, and other  
23 tasks pertaining to the management of the property; and

24  
25           WHEREAS, condominium managing agents are required to be  
26 licensed real estate brokers or authorized trust companies under  
27 the Condominium Property Act, and they must maintain a fidelity  
28 bond based on the number of units managed of no less than  
29 \$20,000 and no more than \$500,000; and  
30



1           WHEREAS, while many condominiums contract with condominium  
2 association managers for the management of the property, there  
3 is no requirement that the condominium association managers  
4 possess knowledge of the laws and rules governing condominium  
5 associations; and

6  
7           WHEREAS, S.B. No. 1454, Regular Session of 2003, proposed,  
8 under the Condominium Property Act's predecessor statute, the  
9 establishment of a regulatory framework requiring the  
10 certification of condominium association managers by the Real  
11 Estate Commission of the Department of Commerce and Consumer  
12 Affairs; and

13  
14           WHEREAS, the Auditor analyzed S.B. No. 1454 in *Sunrise*  
15 *Analysis: Condominium Association Managers*, Report No. 05-10,  
16 and ultimately concluded that S.B. 1454 not be enacted, relying  
17 on two bases:

- 18  
19           (1) The Auditor, after examining the records of the  
20 Regulated Industries Complaints Office of the  
21 Department of Commerce and Consumer Affairs, found  
22 little evidence of complaints from condominium  
23 residents against condominium management agents.  
24 Rather, the Auditor found that a vast majority of  
25 complaints relating to condominiums were from  
26 residents against the board members; and  
27  
28           (2) It was premature to consider any new proposed  
29 regulation with the imminent recodification of the  
30 condominium laws into the Condominium Property Act  
31 taking effect on July 1, 2006; and  
32

33           WHEREAS, however, while issues may not be referred to the  
34 Regulated Industries Complaints Office, issues continue to  
35 persist with the quality of services rendered by some  
36 condominium association managers; and  
37

38           WHEREAS, there have been reports of condominium association  
39 managers stifling board members' ability to assist in the  
40 management of the property and to address concerns of the  
41 residents to whom the board members serve and reports of



1 condominium association managers disregarding requests by board  
2 members; and

3

4 WHEREAS, section 26H-6, Hawaii Revised Statutes, of the  
5 Hawaii Regulatory Licensing Reform Act requires new measures,  
6 subjecting unregulated professions and vocations to licensing or  
7 other regulatory controls, to be referred to the Auditor for  
8 analysis; now, therefore,

9

10 BE IT RESOLVED by the House of Representatives of the  
11 Thirty-third Legislature of the State of Hawaii, Regular Session  
12 of 2025, that the Auditor is requested to conduct a follow-up  
13 sunrise review to *Sunrise Analysis: Condominium Association*  
14 *Managers*, Report No. 05-10, which analyzed the regulation of  
15 condominium association managers as proposed by S.B. No. 1454,  
16 Regular Session of 2005; and

17

18 BE IT FURTHER RESOLVED that the Auditor is requested to  
19 also examine alternative regulatory frameworks for the  
20 regulation of condominium association managers, specifically  
21 H.B. No. 298, Regular Session of 2023; S.B. No. 1197, Regular  
22 Session of 2017; and S.B. No. 2334, Regular Session of 2010; and

23

24 BE IT FURTHER RESOLVED that the Auditor is further  
25 requested to submit a report of its findings and  
26 recommendations, including any proposed legislation, to the  
27 Legislature no later than twenty days prior to the convening of  
28 the Regular Session of 2026; and

29

30 BE IT FURTHER RESOLVED that a certified copy of this  
31 Resolution be transmitted to the Auditor.

32

33

34

OFFERED BY:



FEB 24 2025

